

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 11, 2017

ANALYST: Don Michael

- I. COMMITTEE: North Dakota Republican Party
(C00018929)
Nicholas P. Hacker, Treasurer (9/8/16 – present)
Shane Goettle, Treasurer (6/26/13 – 9/7/16)
1029 N 5th Street
Bismarck, North Dakota 58501
- II. RELEVANT STATUTES: 52 U.S.C. § 30104(b)
11 CFR § 104.3
- III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

North Dakota Republican Party (“the Committee”) amended its 2016 October Monthly Report to disclose additional receipts of \$413,719.04 and additional disbursements of \$413,719.04 that were not disclosed on the original report (Attachment 2).

On October 7, 2016 the Committee filed the original 2016 October Monthly Report covering the period of September 1, 2016 through September 30, 2016. The report disclosed \$0.00 in receipts on Line 12 (Transfers from Affiliated/Other Party Committees) of the Detailed Summary Page (Image 201610079032195945, Attachment 2). The report also disclosed \$11,144.24 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$0.00 in disbursements on Line 22 (Transfers to Affiliated/Other Party Committees) of the Detailed Summary Page (Image 201610079032195946, Attachment 2).

On October 26, 2016, the Committee filed an Amended 2016 October Monthly Report. The report disclosed \$413,719.04 in receipts on Line 12, an increase of

\$413,719.04 in receipts from the original report (Image 201610269034583347, Attachment 2). The report also disclosed \$11,164.24 in disbursements on Line 21(b) and \$413,699.04 in disbursements on Line 22, a total increase of \$413,719.04 in disbursements from the original report (Image 201610269034583348, Attachment 2).

On April 12, 2017, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2016 October Monthly Report, received October 26, 2016. The RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2016 October Monthly Report (Image 201704120300084392).

On May 22, 2017 the Committee filed an Amended 2016 October Monthly Report. The report disclosed no additional changes in receipts or disbursements (Image 201705229055130558-59). The report contained memo text which stated:

“Received an RFAI requesting clarifying information as to why this activity was not disclosed on original report. The information for the receipts and disbursements for Trump Victory did not become available until after the FEC report was filed. The amended report included an increase in receipts totaling \$413,719.04 and an increase in disbursements totaling \$413,719.04 . The Trump Victory receipts totaling \$413,719.04 are itemized on Schedule A pages 21 through 71. The Trump Victory disbursement of \$413,699.04 is itemized on page 80. The \$20 difference ((\$413,719.04 - \$413,699.04) is a transfer fee that is reported on line 21b” (Image 201705229055130561).

On June 1, 2017, the Reports Analysis Division (RAD) Analyst left a voicemail for Nicholas Hacker, the Committee's Treasurer, to explain that the increase in receipts and disbursements disclosed in the Amended 2016 October Monthly Report, received October 26, 2016, could be referred for further action. The RAD Analyst requested a return call (Attachment 3).

On June 5, 2017, Mr. Hacker returned the Analyst's phone call. The Analyst informed Mr. Hacker that the increase in receipts and disbursements on the Amended 2016 October Monthly Report, received October 26, 2016, would likely be referred for further action to another office at the Commission. The Analyst informed him of the opportunity provide additional information for the public record (Attachment 3).

On June 27, 2017, the Committee submitted a Miscellaneous Electronic Submission (“FEC Form 99”) that stated, in part:

“The North Dakota Republican Party (NDGOP) contracts with an outside accounting firm for professional accounting services. Included in these services is the completion of reports submitted to the FEC. NDGOP contracted with Ritter Adair through December 31, 2016. Effective January 1, 2017, NDGOP has contracted with Brady, Martz & Associates, P.C. for these services.

The original October 2016 monthly report was filed on October 7, 2016 by the previous accounting firm, Ritter Adair, did not include donation information regarding the Trump Victory Fund, a joint fundraising representative, as the information was not received until after the original October Monthly report was filed. Ritter Adair filed an amended report on October 26, 2016 to include the \$413,719.04 in receipts and disbursements, but did not include a clarifying explanation as to why the activity was not disclosed on the original report. An RFAI was issued on April 12, 2017 asking for clarifying information as to why the increase in receipts and disbursement activity was not disclosed on the original report. The current accounting firm, Brady Martz, filed an amended October Monthly report on May 22, 2017 to explain that Ritter Adair did not receive the Trump Victory Fund donation information until after the original report was already filed.

The current treasurer of NDGOP was elected as treasurer on September 27, 2016. The former accounting firm, Ritter Adair, gave notice to the newly elected treasurer that they would like to terminate their services the end of September 2016. This was one and a half months before the general election. Because fall 2016 was a heavy election year and the NDGOP was busy with the election, the treasurer and the accounting firm agreed to continue their services through December 31, 2016. In addition as part of this agreement, Ritter Adair agreed to complete the Year-End report that was due in January 2017. It has now become apparent there was a decrease in the quality of services provided by the former accounting firm, Ritter Adair, as after they gave their notice through completing the Year-End report in January 2017, three RFAIs were filed on the reports completed in that time frame.

Ritter Adair amended the Statement of Organization on September 28, 2016 to update the treasurer information. However, the email address of 'treasurer@ndgop.org' listed on the Statement of Organization was no longer in use, therefore notifications, such as RFAIs were not being received by the North Dakota Republican Party...

...Additional procedures have been put in place to prevent this from happening in the future. An amended Statement of Organization was submitted on June 27, 2017 to update the email address for the treasurer of the North Dakota Republican party as well as an email address for the current accounting firm" (Image 201706279066457758).

To date, no further communications have been received from the Committee regarding this matter.

O-Index (2017)															
Cmte. ID: C00018929 Cmte. Name: NORTH DAKOTA REPUBLICAN PARTY															
Treasurer Name: HACKER, NICHOLAS P MR. Address: 1029 N 5TH STREET, BISMARCK, ND 58501															
Cmte. Type: Y (QUALIFIED PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: MONTHLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			6/27/2017	2	201706279066457758				-	-	-	-	-	-	-
F3XN	M2	N	2/17/2017	17	201702179049714000	1/1/2017	1/31/2017		\$11,351	\$27,964	\$11,340	\$27,975	-	-	\$0
F3XN	M3	N	3/15/2017	20	201703159050838969	2/1/2017	2/28/2017		\$27,975	\$41,434	\$37,791	\$31,618	-	-	\$0
F3XN	M4	N	4/19/2017	19	201704199052317532	3/1/2017	3/31/2017		\$31,618	\$22,340	\$22,929	\$31,029	-	-	\$0
F3XN	M5	N	5/16/2017	18	201705169053894698	4/1/2017	4/30/2017		\$31,029	\$8,050	\$20,698	\$18,381	-	-	\$0
F3XN	M6	N	6/19/2017	24	201706199063504182	5/1/2017	5/31/2017		\$18,381	\$19,057	\$25,259	\$12,180	-	-	\$0
F3XN	M7	N	7/18/2017	26	201707189066776635	6/1/2017	6/30/2017		\$12,180	\$19,564	\$22,335	\$9,409	-	-	\$0
F1A		A	6/27/2017	7	201706279066457751				-	-	-	-	-	-	-
Totals										\$138,412	\$140,355				

O-Index (2015-2016)															
Cmte. ID: C00018929 Cmte. Name: NORTH DAKOTA REPUBLICAN PARTY															
Treasurer Name: HACKER, NICHOLAS P MR. Address: 1029 N 5TH STREET, BISMARCK, ND 58501															
Cmte. Type: Y (QUALIFIED PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: MONTHLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			7/9/2015	1	201507099000070909				-	-	-	-	-	-	-
MS-T			7/24/2015	1	201507249000413582				-	-	-	-	-	-	-
MS-T			9/18/2015	1	201509189002714888				-	-	-	-	-	-	-
MS-T			2/29/2016	1	201602299009630771				-	-	-	-	-	-	-
RQ2	M2	N	5/6/2015	2	15330082754	1/1/2015	1/31/2015	5/6/2015	-	-	-	-	-	-	-
RQ2	M2	N	2/25/2016	4	201602250300038609	1/1/2016	1/31/2016	2/25/2016	-	-	-	-	-	-	-
RQ2	M6	N	12/4/2016	2	201612040300069427	5/1/2016	5/31/2016	12/4/2016	-	-	-	-	-	-	-
RQ2	M10	A	4/12/2017	2	201704120300084392	9/1/2016	9/30/2016	4/12/2017	-	-	-	-	-	-	-
RQ2	30G	N	4/23/2017	2	201704230300084811	10/20/2016	11/28/2016	4/23/2017	-	-	-	-	-	-	-
RQ2	YE	N	4/23/2017	3	201704230300084813	11/29/2016	12/31/2016	4/23/2017	-	-	-	-	-	-	-
F3XN	M2	N	2/20/2015	31	15950812254	1/1/2015	1/31/2015		\$8,777	\$56,486	\$29,973	\$35,290	-	-	\$0
F3XA	M2	A	7/9/2015	31	201507099000071068	1/1/2015	1/31/2015		\$8,777	\$56,486	\$29,973	\$35,290	-	-	\$0
F3XN	M3	N	3/6/2015	18	15950841670	2/1/2015	2/28/2015		\$35,290	\$32,461	\$26,776	\$40,974	-	-	\$0
F3XA	M3	A	3/13/2015	18	15970297352	2/1/2015	2/28/2015		\$35,290	\$30,905	\$26,776	\$39,418	-	-	\$0
F3XA	M3	A	7/24/2015	17	201507249000412833	2/1/2015	2/28/2015		\$35,290	\$30,905	\$26,776	\$39,418	-	-	\$0
F3XN	M4	N	4/15/2015	22	15951171127	3/1/2015	3/31/2015		\$39,418	\$18,049	\$22,574	\$34,894	-	-	\$0
F3XA	M4	A	7/24/2015	21	201507249000413239	3/1/2015	3/31/2015		\$39,418	\$18,049	\$22,574	\$34,894	-	-	\$0
F3XN	M5	N	5/18/2015	21	15951393911	4/1/2015	4/30/2015		\$34,894	\$15,450	\$26,387	\$23,957	-	-	\$0
F3XN	M6	N	6/18/2015	26	15951489956	5/1/2015	5/31/2015		\$23,957	\$27,964	\$33,178	\$18,744	-	-	\$0
F3XN	M7	N	7/16/2015	27	201507169000245993	6/1/2015	6/30/2015		\$18,744	\$39,852	\$31,634	\$26,962	-	-	\$0
F3XN	M8	N	8/13/2015	27	201508139000820680	7/1/2015	7/31/2015		\$26,962	\$18,450	\$29,244	\$16,168	-	-	\$0
F3XN	M9	N	9/18/2015	19	201509189002713055	8/1/2015	8/31/2015		\$16,168	\$5,873	\$21,278	\$763	-	-	\$0
F3XN	M10	N	10/16/2015	30	201510169003097254	9/1/2015	9/30/2015		\$763	\$28,193	\$26,549	\$2,407	-	-	\$0
F3XN	M11	N	11/16/2015	28	201511169003347521	10/1/2015	10/31/2015		\$2,407	\$32,382	\$17,272	\$17,518	-	-	\$0
F3XN	M12	N	12/9/2015	17	201512099004157880	11/1/2015	11/30/2015		\$17,518	\$16,152	\$15,730	\$17,939	-	-	\$0
F3XN	YE	N	1/18/2016	18	201601189004513781	12/1/2015	12/31/2015		\$17,939	\$9,207	\$19,304	\$7,842	-	-	\$0
F3XN	M2	N	2/18/2016	66	201602189008486129	1/1/2016	1/31/2016		\$7,842	\$102,339	\$29,701	\$80,480	-	-	\$0
F3XN	M3	N	3/17/2016	41	201603179009776314	2/1/2016	2/29/2016		\$80,480	\$45,203	\$50,552	\$75,131	-	-	\$0
F3XN	M4	N	4/11/2016	18	201604119012285720	3/1/2016	3/31/2016		\$75,131	\$15,264	\$16,298	\$74,097	-	-	\$0

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F3XN	M5	N	5/12/2016	16	201605129015435226	4/1/2016	4/30/2016		\$74,097	\$4,257	\$17,256	\$61,097	-	-	\$0
F3XN	M6	N	6/14/2016	17	201606149017576161	5/1/2016	5/31/2016		\$61,097	\$40,415	\$20,913	\$80,599	-	-	\$0
F3XA	M6	A	12/30/2016	18	201612309040908475	5/1/2016	5/31/2016		\$61,097	\$40,415	\$20,913	\$80,599	-	-	\$0
F3XN	M7	N	7/18/2016	32	201607189020680454	6/1/2016	6/30/2016		\$80,599	\$25,657	\$27,916	\$78,340	-	-	\$0
F3XN	M8	N	8/15/2016	38	201608159022246540	7/1/2016	7/31/2016		\$78,340	\$23,685	\$27,509	\$74,516	-	-	\$0
F3XN	M9	N	9/8/2016	20	201609089030751065	8/1/2016	8/31/2016		\$74,516	\$6,806	\$21,707	\$59,614	-	-	\$0
F3XN	M10	N	10/7/2016	28	201610079032195943	9/1/2016	9/30/2016		\$59,614	\$15,357	\$15,862	\$59,109	-	-	\$0
F3XA	M10	A	10/26/2016	81	201610269034583345	9/1/2016	9/30/2016		\$59,614	\$429,076	\$429,581	\$59,109	-	-	\$0
F3XA	M10	A	5/22/2017	82	201705229055130556	9/1/2016	9/30/2016		\$59,614	\$429,076	\$429,581	\$59,109	-	-	\$0
F3XN	12G	N	10/26/2016	95	201610269034584282	10/1/2016	10/19/2016		\$59,109	\$558,465	\$542,433	\$75,141	-	-	\$0
F3XA	12G	A	5/24/2017	96	201705249055150068	10/1/2016	10/19/2016		\$59,109	\$558,465	\$542,433	\$75,141	-	-	\$0
F3XN	30G	N	12/8/2016	82	201612089039927008	10/20/2016	11/28/2016		\$75,141	\$385,490	\$435,452	\$25,180	-	-	\$0
F3XA	30G	A	5/24/2017	84	201705249055149959	10/20/2016	11/28/2016		\$75,141	\$390,587	\$440,548	\$25,180	-	-	\$0
F3XA	30G	A	5/25/2017	115	201705259055150783	10/20/2016	11/28/2016		\$75,141	\$390,587	\$440,548	\$25,180	-	-	\$0
F3XN	YE	N	1/6/2017	27	201701069040982850	11/29/2016	12/31/2016		\$25,180	\$170,378	\$184,207	\$11,351	-	-	\$0
F3XA	YE	A	5/25/2017	28	201705259055150903	11/29/2016	12/31/2016		\$25,180	\$170,378	\$184,207	\$11,351	-	-	\$0
F1A		A	2/19/2015	4	15950629160				-	-	-	-	-	-	-
F1A		A	7/15/2015	4	201507159000134921				-	-	-	-	-	-	-
F1A		A	9/8/2016	5	201609089030751488				-	-	-	-	-	-	-
F1A		A	2/22/2016	4	201602229009618600				-	-	-	-	-	-	-
F1A		A	9/28/2016	5	201609289032141210				-	-	-	-	-	-	-
Totals										\$2,111,105	\$2,108,531				

North Dakota Republican Party (C00018929)

2016 October Monthly Report / Amended 2016 October Monthly Report

Overview of Additional Receipts

Report Line	2016 October Monthly Report (Image 20161007903219 5945)	Amended 2016 October Monthly Report, received 10/26/16 (Image 201610269034583347)	Variance Amount
Line 12: Transfers from Affiliated/Other Party Committees	\$0.00	\$413,719.04	\$413,719.04
Total Variance:			\$413,719.04

Overview of Additional Disbursements

Report Line	2016 October Monthly Report (Image 20161007903219 5946)	Amended 2016 October Monthly Report, received 10/26/16 (Image 201610269034583348)	Variance Amount
Line 21(b): Other Federal Operating Expenditures	\$11,144.24	\$11,164.24	\$20.00
Line 22: Transfers to Affiliated/Other Party Committees	\$0.00	\$413,699.04	\$413,699.04
Total Variance:			\$413,719.04